<u>REMARKS</u>

Claims 1, 2, 4-9, 11, 13 and 14 are pending in this application. By this Amendment, claim 1 is amended. No new matter is added. Reconsideration of the application is respectfully requested.

Applicants respectfully request a personal interview with the Examiner to ensure that Applicants' response is fully responsive to the Office Action and to advance prosecution by resolving any remaining issues. Therefore, the Examiner is requested to contact the undersigned to indicate his availability for a personal interview.

The Office Action rejects claims 1, 2, 4-9, 11, 13 and 14 under 35 U.S.C. §112, second paragraph. Claim 1 is amended to clarify that the paper may include an electronic storage device. The sensing unit senses whether the paper includes an electronic data storage device. Claims 2, 4-9, 11, 13 and 14 depend from claim 1. Therefore, withdrawal of the rejection is respectfully requested.

The Office Action rejects claim 1, 2, 5, 6 and 11 under 35 U.S.C. §103(a) over U.S. Patent No. 6,676,050 to Chang in view of U.S. Patent No. 6,758,392 to Bennett et al. (Bennett) and U.S. Patent No. 4,547,002 to Colgate, Jr. (Colgate). This rejection is respectfully traversed.

Claim 1 recites a sensing unit that <u>senses as to whether the paper includes an</u>

<u>electronic data storage device</u>, and a control unit that controls the destroy process unit to

destroy the data stored in the data storage device of the entered paper <u>when the sensing unit</u>

senses that the entered paper includes the electronic data storage device.

The Office Action admits that Chang does not teach or suggest these features, but alleges that Bennett does. Applicants respectfully disagree with this allegation.

Bennett teaches that a controller 42 is employed to operate solenoid 34 to control the feeding of cards to a card reading portion, and that a presence sensor 43 is employed to sense

when a card has exited the card feeding portion 12 and entered into the card reading portion 14 (col. 3, lines 22-24). As the card is moved through the card reading portion 14, the card passes through a slot 72 in the card reader 64 of the card reading portion 14. Then, as the card passes through the reader 64, information stored on the magnetic stripe 73 of the card is read and passed to the controller, which accesses a database to determine whether or not the card has been flagged for destruction (col. 3, lines 41-45 and col. 4, lines 43-48).

Bennett does <u>not</u> teach or suggest sensing as to <u>whether the paper includes an electronic data storage device</u>. Bennett only senses when a card has exited the card feeding portion 12 and entered into the card reading portion 14 (col. 3, lines 22-24).

Thus, Bennett only senses the <u>presence of the card</u> in the device.

In addition, in Bennett, whether the card is to be destroyed is determined based on the flag stored in the magnetic stripe of the card (i.e., based on the information read), not whether the magnetic stripe exists on the card. Therefore, Bennett does <u>not</u> teach or suggest that a control unit controls the destroy process unit to destroy the data stored in the data storage device of the entered paper <u>when the sensing unit senses that the entered paper includes the electronic data storage device</u>.

Colgate does not overcome these deficiencies of Chang and Bennett. Therefore, none of the applied references teaches or suggests the features recited in claim 1.

Moreover, the Office Action alleges that "it would have been obvious to one skilled in the art at the time of the invention was made to provide Chang with a sensor and controller capable of detecting an electronic data storage device in order to control the destruction, as taught by Bennett."

However, Bennett teaches that his card destruction system comprises a reader for reading identification information form a card to be destructed (col. 1, lines 29-30).

However, as discussed above, Bennett does not teach a sensor or controller "capable of

detecting" an electronic data storage device. In order for the system of Bennett to destruct a card, the identification information must be read as identifying a card to be destroyed. Thus, a person skilled in the art would not have been motivated to modify Chang as alleged in the Office Action, but would have been motivated, if at all, only to include a reader to control destruction based on information stored on a card.

Moreover, Chang only discloses a paper shredded having the function of breaking a compact disc (see abstract). Chang does not teach or suggest that the compact disc to be shredded has identification information thereon or that any identification information on the compact disc is read or need to be read prior to shredding. Rather, Chang's shredder merely breaks or shreds compact discs. Therefore, one of ordinary skill in the art would not have been motivated to combine Chang and Bennett.

Furthermore, the Office Action admits that Chang does not explicitly disclose a display member comprising paper but asserts that Colgate shows that credit card may be made of either plastic or paper.

Chang teaches to provide in his device a paper inlet 11 for shredding paper and separately a compact disc inlet 12 for shredding compact discs, because when conventional paper shredder is used to break the compact disc, the conventional paper shredder needs to have a strong power and rigid rolling blade wheels so as to break the compact disc, thereby greatly increasing the cost of production (col. 1, lines 25-30). Moreover, Chang teaches that his invention has arisen to mitigate and/or obviate the disadvantage of the conventional paper shredder (col. 1, lines 33-34). Therefore, if Chang's compact disc is replaced by Colgate's paper credit card as suggested by the Office Action, both inlets would be used for paper materials, which teaches away from Chang's teaching. Moreover, Chang already teaches paper. Thus, one of ordinary skill in the art would not have been motivated to replace Chang's compact disc with Colgate's paper credit card.

Accordingly, the alleged motivations are improper, and appear to be based only on hindsight reasoning to supply the subject matter to the claims admittedly missing from Chang.

Therefore, claim 1 is patentable over the applied references. Claims 2, 5, 6 and 11 are patentable at least for their dependence on claim 1, as well as for the additional features they recite.

Accordingly, withdrawal of the rejection is respectfully requested.

The Office Action rejects claim 4 and 7-9 under 35 U.S.C. §103(a) over Chang in view of Bennett and Colgate, and further in view of U.S. Patent No. 4,931,770 to Abramson and U.S. Patent No. 4,879,724 to Matsumoto et al. (Matsumoto). The Office Action also rejects claims 13 and 14 under 35 U.S.C. §103(a) over Chang in view of Bennett and Colgate, further in view of U.S. Patent No. 6,038,012 to Bley. These rejections are respectfully traversed.

Applicants respectfully submit that the combination of Chang, Bennett and Colgate is improper, as discussed above. Further, Abramson, Matsumoto and Bley fail to remedy the deficiencies of Chang, Bennett and Colgate discussed above. Therefore, the applied references do not teach or suggest the features recited in claim 1. Therefore, claims 4, 7-9, 13 and 14 are patentable over the applied references at least for their dependence on claim 1, as well as for the additional features they recite. As such, withdrawal of the rejections is respectfully requested.

In view of the foregoing, it is respectfully submitted that this application is in condition for allowance. Favorable reconsideration and prompt allowance of the application are earnestly solicited.

Should the Examiner believe that anything further would be desirable to place this application in even better condition for allowance, the Examiner is invited to contact the undersigned at the telephone number set forth below.

Respectfully submitted,

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JAO:KXH/tbh

Attachment:

Petition for Extension of Time

Date: May 22, 2006

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